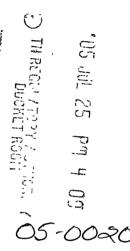
TENNESSEE WASTEWATER SYSTEMS, INC. A PUBLIC UTILITY CO.

July 25, 2005

Honorable Pat Miller Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37243-0505

RE: Petition to amend Certificate of Convenience and Necessity



Dear Chairman Mıller:

Tennessee Wastewater Systems, Inc. desires to expand its service area to include a portion of Cocke County, Tennessee, known as Emerald Pointe. The attached Petition is in support of our request.

Sincerely,

Charles Pickney, Jr., President

Tennessee Wastewater Systems, Inc.

7638 River Road Pike Nashville TN 37209-5733 (615) 356-2880 Fax (615) 356-7295

BEFORE THE TENNESSEE REGULATORY AUTHORITY NASHVILLE, TENNESSEE

	, 2005
IN RE:	PETITION OF TENNESSEE WASTEWATER SYSTEMS,
	INC. TO AMEND ITS CERTIFICATE OF
	CONVENIENCE AND NECESSITY
DO	CKET No
	Petition of Tennessee Wastewater Systems, Inc.
	To amend its Certificate of Convenience and Necessity

Tennessee Wastewater Systems, Inc. ("TWS") petitions the Tennessee Regulatory Authority ("TRA") to amend TWS's Certificate of Convenience and Necessity to expand its service area to include a portion of Cocke County known as Emerald Pointe. (See proposed service area map (Exhibit "A"). We are proposing to provide wastewater service to a portion of the county per the request of the Land Works developer Bryan S. Seigler. The property includes parcel 3.00 and is shown on the enclosed Tax Maps 23 & 24. The parcel encompasses approximately 99 acres. The system will be designed and constructed to serve approximately 65 lots (residential and commercial - approximately 15,000 gallons per day) and can be expanded later if needed. The estimated system revenue is on attached sheet. We have applied for a TDEC permit, but have not received a final permit number at this time. No contracts have been signed at this point. However, it is the intention of the parties that Tennessee Wastewater will own the collection, treatment, and dispersal systems and will own the property that the systems occupies. Neither the City of Newport, nor the Cocke County Government desires or has plans to provide sewer service to this area (see attached letters). After approval, the construction of the system, which is comprised of watertight effluent collection, fixed film treatment, and subsurface drip dispersal will take approximately 60 days to complete and the estimated value of the contribution in aid of construction is approximately \$200,000.00. Tennessee Wastewater will not invest any capital in the system.

Respectfully submitted,

Charles Pickney Jr., President

Tennessee Wastewater Systems, Inc.

Emerald PointeProjected Subdivision Build-Out

2006 - 7 homes 2007 - 26 homes 2008 - 19 homes 2009 - 8 homes 2010 - 5 homes

Estimated System Costs and Revenues for Five Years

	2006	2007	<u>2008</u>	2009	<u>2010</u>
Costs	2,700	12,750	20,100	23,000	24,850
Revenues	2,950	13,900	21,900	25,000	27,000

System		Monthly Charge
Oakwood Subdivision – Maury County – 99-00393 - Sh	eet 1	\$35.11
Southridge Subdivision – Montgomery County – 97-011	04 - Sheet 2	\$23.94 + actual costs
Swan Harbor – Roane County – 97-01003 – Sheet 3		\$35.11
River Road Utility District – Cheatham County – 97-013	94 – Sheet 4	\$31.15
Mılcrofton Utılıty Dıstrict – Wılliamson County – 97-01	393 – Sheet 5	\$37.21
Tall Oaks Subdivision – Blount County – 98-00790 - Sh	eet 6	\$35.11
Yoakum Hollow Dev. (Windsor Pt) – Campbell County	– 98-00881 – Sheet 7	\$35.11
Shreibman Development – Cannon County – 98-00880 -	- Sheet 8	\$35.11
Cornerstone of Mitchell Creek – Overton County – 99-0	0357 – Sheet 9	\$35.11
Bolton Area – Shelby County - 99-00724 – Sheet 10		\$32.68
Ussery #1- Sevier County – 00-00198 – Sheet 11		\$35.11
Harbor Pointe – Dekalb County – 00-00149 - Sheet 12		\$35.11
Hidden Springs Resort – Sevier County – 00-00379 - Sh	neet 13	\$35.11
Eagle Crest Development – Sevier County – 01-00234 –	Sheet 14	\$35.11
Legacy Bay – Hawkins County – 00-00622 - Sheet 15		
Dollywood Project (Dream Catcher Ridge) - Sevier County - 01-00424 - Sheet 16		
Homestead Subdivision – Sevier County – 01-00423 – Sheet 17		\$35.11
Rice Property (Blue Water Bay) – DeKalb County – 01-	00425 – Sheet 18	\$35.11
, , , , , , , , , , , , , , , , , , ,	goon – Sheet 19 ed Film Treatment – She	\$30 98 eet 20 \$35.11

System	M	onthly Charge
Eagle Springs Subdivision – Sevier County – 01-0	0445 – Sheet 21	\$35.11
Jackson Bend Subdivision – Blount County - 01-0	00221 – Sheet 22	\$35.11
Browning Subdivision – Knox County – 01-00492	- Sheet 23	\$35.11
Starr Crest II – Sevier County - 01-00755 – Sheet 2	24	\$35.11
City of Coopertown - Robertson County - 00-0112	Lagoon – Sheet 25 3% F Fixed Film Treatment – Sheet 26	\$30.98 + Franchise fee \$35.11 + Franchise fee
Horseshoe Bend – Bedford County – 01-01025 – S	Sheet 27	\$35.11
Eagle Crest II - Sevier County - 01-01128 - Sheet	t 28	\$35.11
Eagle Crest Resort – Sevier County – 01-00183 – 5	Sheet 29	\$35.11
Gnatty Branch Retreat - Sevier County - 02-00055	5 – Sheet 30	\$35.11
Airbase Road Condominiums – Blount County – 6	02-00478 - Sheet 31	\$35 11
Goose Creek Area -Williamson County – 02-0017	2 – Lagoon - Sheet 32 Fixed Film Treatment – Sheet 33	\$35.50 \$40.71
Falling Waters – Sevier County – 02-00782 – Shee	et 34	\$35.11
Stewart County West – Stewart County – 02-0047	7 - Sheet 35	\$35.11
Lighthouse Point Condominiums – Jefferson Coun	nty - 02-00732 - Sheet 36	\$35.11
The Highlands – Sevier County – 02-00781 – Shee	et 37	\$35.11
Highland Cove – Dekalb County – 03-00242 – She	eet 38	\$35.11

Fees: Nonpayment – 5%, Disconnection - \$10, Reconnection - \$15, Return Check - \$20, Access - \$84/yr

System Monthly 6	Charge
Tims Ford State Park Area-Franklin County - 03-00286 - Lagoon – Sheet 39	30.98 +
Fixed Film Treatment – Sheet 40	ding costs 35.11+
	ding costs
Black Bear – Sevier County – 03-00192 – Sheet 41	\$35.11
Sunnybrook – Robertson County – 03-00307 – Sheet 42	\$35.11
Sevier County – Sevier County – 03-00045 Lagoon – Sheet 43	\$30.98
Fixed Film Treatment – Sheet 44	\$35.11
Smoky Cove Subdivision – Sevier County – 03-00377 – Sheet 45	\$35.11
King Branch Road – Sevier County – 03-00386 – Sheet 46	\$35.11
Paris Landing - Henry County – 03-00544 – Lagoon Treatment – Sheet 47	\$30 98
Fixed Film Treatment – Sheet 48	\$35.11
Walnut Grove – Giles County - 04-00054 – Sheet 49	\$35.11
Turner's Landing – Hamblen County – 04-00053 – Sheet 50	\$35.11
Spring Creek Ranch – Shelby County – 04-00123 - Sheet 51	\$35.11
Marion Womack Property (Creekview Estates) – Sumner County – 04-00170 – Sheet 52	\$35.11
Arbor Crest Subdivision – Davidson County – 04-00171 – Sheet 53	\$35.11
Merril Taylor Subdivision – Blount County - 04-00274 – Sheet 54	\$35.11
Wyndsong Subdivision – Blount County – 04-00395	\$35.11
Huffines Development – Robertson County – 04-00393	\$35.11
Williamson County West - Williamson County - 04-00394 Lagoon	\$35.50
Fixed Film Treatment -	\$40.71

Fees: Nonpayment – 5%, Disconnection - \$10,

Reconnection - \$15, Return Check - \$20, Access - \$84/yr

System	Monthly C	harge
Trillium Cove Condominiums – Blount County – 05-00030		\$35.11
Marvin Keys RV Park – Cocke County – (Pending)		\$35.11
Blackberry Ridge Subdivision – Bedford County – (Pending)		\$35.11
Steve Jones Subdivision – Union County – (Pending)		\$35.11
Grainger's Landing Condominiums – Grainger County – (Pending))	\$35.11
German Creek Marina and Resort - Grainger County - (Pending)		\$35.11
Smoky Vıllage Subdivision – Sevier County - (Pending)		\$35.11
Fentress Service Area – Fentress County – (Pending)	Lagoon Fixed Film Treatment	\$30.98 \$35.11
Emerald Pointe - Cocke County		\$35.11

Fees: Nonpayment – 5%, Disconnection - \$10,

Reconnection - \$15, Return Check - \$20, Access - \$84/yr

Tennessee Wastewater Systems, Inc. Sewer Systems with Commercial Customers

System	County
Townsend Town Square – 99-00659	Blount County
Coopertown - 00-01128	Robertson County
East Stewart – 01-00229	Stewart County
Highway 31 Project (Herndon's BP) - 01-00446	Robertson County
Lyles Texaco - 01-00756	Hıckman County
Topside Business Park – 01-00220	Blount County
Stewart County West - 02-00477	Stewart County
Cedar Hill Baptist Church – 03-00287	Robertson County
Tims Ford Area – 03-00286	Franklın County
Sunnybrook - 03-00307	Robertson County
Sevier County - 03-00045	Sevier County
Smoky Cove Subdivision – 03-00377	Sevier County
King Branch Road – 03-00386	Sevier County
Weigel's Convenience Store – 03-00519	Roane County
Paris Landing Area – 03-00544	Henry County
Turner's Landing – 04-00053	Hamblen County
Spring Creek Ranch – 04-00123	Shelby County
Marion Womack Property (Creekview Estates) – 04-00170	Sumner County
Arbor Crest Subdivision - 04-00171	Davidson County
Merril Taylor Subdivision - 04-00274	Blount County
Black Bear Ridge Expansion – 04-00045	Sevier County

Tennessee Wastewater Systems, Inc. Sewer Systems with Commercial Customers

System	County
Legacy Laurel Branch - 04-00045	Sevier County
Legacy Mountain – 04-00045	Sevier County
Legacy the Preserves – 04-00045	Sevier County
Starr Crest II Phase 4 – 04-00045	Sevier County
Timber Tops Rental Center – 04-00045	Sevier County
Trailhead – 04-00045	Sevier County
Wyndsong Subdivision – 04-00395	Blount County
Huffines Development – 04-00393	Robertson County
Williamson County West - 04-00394	Williamson County
Trillium Cove Condominiums – 05-00030	Blount County
Tennessee State Bank-Wears Valley Branch (Pending)	Sevier County
Marvin Keys RV Park (Pending)	Cocke County
Brownlee Commercial Building (Pending)	Blount County
Grainger's Landing Condominiums (Pending)	Grainger County
German Creek Marina and Resort (Pending)	Grainger County
Fentress Service Area (Pending)	Fentress County
Emerald Pointe	Cocke County

Tariff Rate Sheet

Commercial Sewer Rates – with food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$100 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$94.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$18.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

Treatment

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$170 00	\$192 00	N/A
Lagoon	\$142 00	\$163 00	N/A
* Off Site	N/A	N/A	Pass through costs & \$94 00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$142 00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$210.00
1,001 gallons to 2,000 gallons above expected design flow	\$220.00
Over 2,000 gallons above expected design flow	\$220.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment – 5%

Disconnection - \$10 Reconnection - \$15 Returned Check - \$20

City of Coopertown Franchise Fees: 3%

Tariff Rate Sheet

Commercial Sewer Rates – without food service

The monthly sewer charge per customer is based on the design daily flow expected from the type of establishment being served. A minimum of \$75 per month will be charged for up to the first 300 gallons per day of design flow expected. (Except off-site which will have a \$73.00 minimum plus pass through costs.) For each additional 100 gallons per day of design flow expected, up to a total of 1,000 gallons per day, an additional charge of \$15.00 per month per 100 gallons will be levied. For design flows expected over 1,000 gallons per day, up to 3,000 gallons per day, the following monthly charges per 1,000 gallons of daily flow will apply.

Disposal

Treatment

	Drip Irrigation	Point Discharge	Off Site
Sand-Gravel Filter	\$140 00	\$165 00	N/A
<u>Lagoon</u>	\$116 00	\$140 00	N/A
* Off Site	N/A	N/A	Pass through costs & \$73 00

For design daily flows over 3,000 gallons, the monthly charge on all system configurations will be \$116.00 per 1000 gallons of daily flow.

Additional surcharges will apply when customers exceed their expected design flows. For any month that a customer's water meter reading exceeds the expected design flow, the following surcharges will apply:

Excess water usage	Surcharge
1 gallon to 1,000 gallons above expected design flow	\$175.00
1,001 gallons to 2,000 gallons above expected design flow	\$200.00
Over 2,000 gallons above expected design flow	\$200.00/1000 gallons

If the water meter readings exceed the design flow for any three consecutive months, the monthly charge will be revised to reflect the increased usage and any capital costs associated with increasing the capacity of the system will be paid by the customer.

* Off Site means treatment and disposal by another entity such as a city or utility district

Fees: Nonpayment -5%

Disconnection - \$10 Reconnection - \$15 Returned Check - \$20

City of Coopertown Franchise Fees: 3%



June 8, 2005

Tennessee Wastewater Systems, Inc. P.O. Box 22771 Knoxville, TN 37933-0771

Re: Emerald Point Subdivision wastewater

To Whom It May Concern:

We hereby request that Wastewater Systems, Inc. be our designated utility provider for Emerald Point Subdision.

If you have any questions, or if I can provide any additional details, please contact me.

Sincerely,

Bryan S. Seigler President



Mailing Address

PO Box 519 Newport, TN 37822

Office Address

170 Cope Boulevard Newport, TN 37821

Phone

(423) 625-2800

Fax

(423) 623-5767

Website

www newportutilities com

June 22, 2005

Tennessee Wastewater Systems, Inc.

PO Box 22771

Knoxville, TN 37933-0771

Attn: Michael Himes, M.S., P.E.

Dear Michael:

In response to your inquiry dated June 17, 2005 concerning parcel 3.00, Tax Maps 23 and 24, Newport Utilities does not have plans to supply sewer to this parcel within the next 12 months.

If you have any questions, please let me know.

Sincerely,

Lee Baker

General Manager

cc: Carrol Proffitt

CITY OF NEWPORT

330 E. Main Street • P.O. Box 370 • Newport, Tennessee 37822 Fax: 423-623-7098

> ROLAND DYKES MAYOR (423) 623-1063

CONNIE BALL VICE-MAYOR

ALDERMEN Leon Bryant Faye Fish Roger Butter Jimmy Clark

JACK SHEPHERD RECORDER 423-623-7323

TERRY E HURST CITY ATTORNEY

TIM DOCKERY
RECREATION DIRECTOR

J MAURICE SHULTS CHIEF OF POLICE

WAYNE BUTLER FIRE CHIEF

BEN HICKS STREET SUPERINTENDENT June 24, 2005

Mr. Michael Hines, M.S ,P E. Vice President Tennessee Wastewater Systems, Inc. P.O Box 22771 Knoxville, TN 37933-0771

Re Proposed Emerald Pointe Sewer System -Cocke County

Dear Mr Hines.

The City of Newport will not provide sewers to this property within the next 12 months

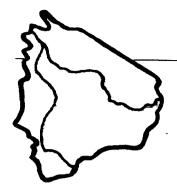
Thank you very much.

Sincerely,

Connie Ball

Connie Ball Interim Mayor City of Newport

CB/jb



COCKE COUNTY GOVERNMENT

June 22, 2005

Iliff McMahan, Jr. Cocke County Mayor

Michael Hines, M.S. P.E. Tennessee Wastewaters Systems, Inc. P.O. Box 22771 Knoxville, TN 37933-0771

Dear Mr. Hines:

Per your request concerning a statement from Cocke County Government concerning a sewage collection system to serve the proposed Emerald Pointe located in Cocke County that includes parcel 3.00, Tax Maps 23 and 24. Cocke County does not have any plans to extend sewer service to that area in the near future.

Please call 423-623-8791 if you have questions or need additional information regarding this matter.

Sincerely,

Iliff McMahan, Jr.

IM:bc

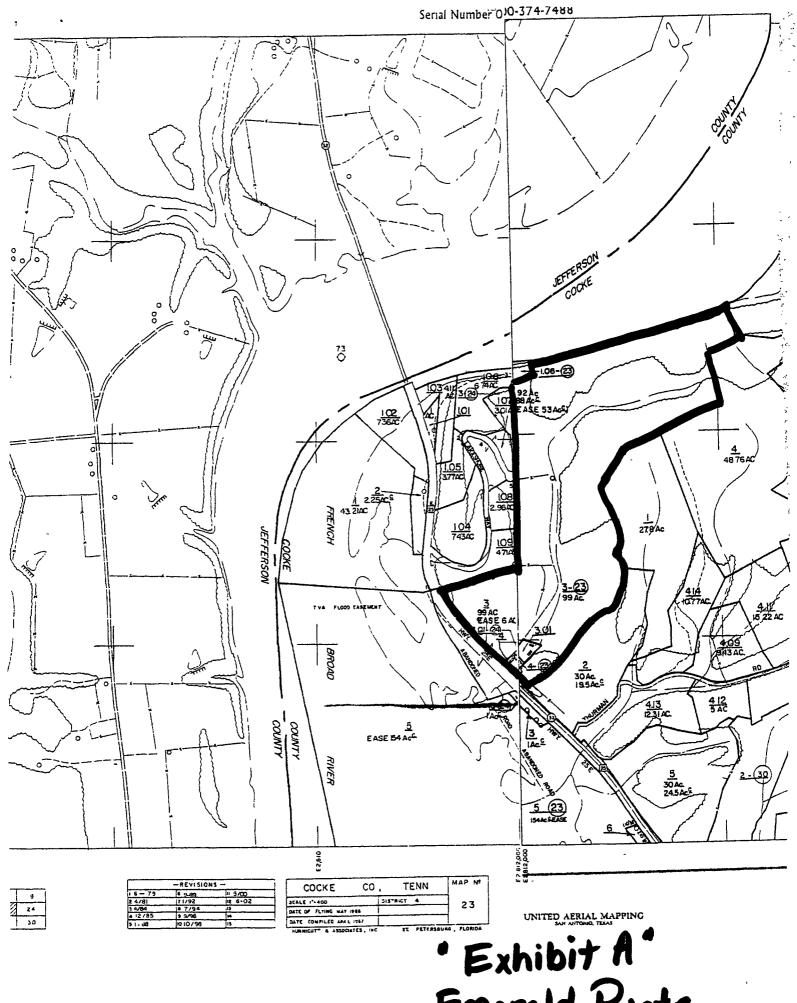


Exhibit A Emerald Binte